# WORLD WHEAT SITUATION AND OUTLOOK

**Year-to-Year Changes:** World wheat trade in 2003/04 is forecast at 95.6 million tons, down 11.6 million tons from 2002/03. Global production is down 17.1 million tons with global consumption down 15.1 million tons. Consumption is forecast to exceed production, thus global stocks are expected to fall by 35.2 million tons to 129.0 million, the lowest level in 22 years.

**Changes from Last Month:** Global wheat trade in 2003/04 is forecast down 500,000 tons from last month. Global production is down 2.3 million tons, largely due to reductions in the EU, Canadian, and Argentine crop. Global consumption is forecast to ease 650,000 tons. World ending stocks are forecast down 1.5 million tons.

**Price:** Early September export quotes for #2 HRW FOB Gulf averaged $152/MT, up $6 from last month.

## 2003/2004 Trade Changes

### Selected Exporters

- **Argentina** down 1.0 million tons to 9.0 million as production is reduced due to smaller-than-expected area.

- **Australia** up 1.0 million tons to 15.0 million due to a larger prospective production.

- **China** up 500,000 tons to 1.3 million due to rising world prices.

- **Canada** down 500,000 tons to 14.0 million as lower production reduces exportable supplies.

- **EU** down 1.0 million tons to a 25-year low of 9.5 million due to falling production and strong domestic demand.

- **Kazakstan** up 500,000 tons to 6.0 million (second highest since 1988/89) due to abundant exportable supplies and stronger regional demand.

### Selected Importers

- **China** down 500,000 tons to 500,000 due to rising world prices.
- **Iran** down 500,000 tons to 1.5 million as a second consecutive bumper harvest reduces need for imports.
- **Ukraine** up 300,000 tons to 2.5 million due to the lowest crop on record.

## 2002/2003 Trade Changes

### Selected Exporters

- **Canada** up 200,000 tons to 9.4 million because of greater-than-expected, late-season shipments.
- **Poland** up nearly 500,000 tons to 1.1 million due to a stronger-than-expected export pace and final trade data.

### Selected Importers

- **Algeria** up 400,000 tons to 5.5 million due to a stronger-than-expected, late-season import pace.
- **Russia** up 200,000 tons to 500,000 due to large June imports from Kazakstan.

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